

*Financial Statements*

**TOWNSHIP OF NORWAY**

**March 31, 2004**

## AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Township of Norway	County Dickinson
Audit Date March 31, 2004	Opinion Date May 20, 2004	Date Accountant Report Submitted to State: August 6, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

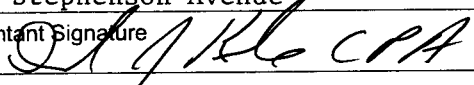
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

### We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Fleury, Singler & Company, P.C.			
Street Address 301 Stephenson Avenue	City Iron Mountain	State MI	ZIP 49801
Accountant Signature 			

## TABLE OF CONTENTS

	Page No.
Independent Auditors' Report .....	3
 Combined Statements:	
Combined Balance Sheet - All Fund Types and Account Group .....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types .....	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - General and Special Revenue Fund Types .....	6
Cemetery Perpetual Care Trust Fund - (Non-Expendable Trust Fund) - Statement of Revenues, Expenditures and Changes in Fund Balance .....	7
Notes to Financial Statements .....	8
 Financial Statements of Individual Funds:	
General Fund:	
Balance Sheet .....	16
Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget .....	17
Statement of Revenues - Actual and Budget .....	18
Statement of Expenditures - Actual and Budget .....	19
All Special Revenue Funds:	
Combining Balance Sheet .....	22
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	23
Liquor Law Enforcement Fund:	
Balance Sheet .....	24
Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget .....	25
Fire and Roads Fund:	
Balance Sheet .....	26
Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget .....	27
Cemetery Fund:	
Balance Sheet .....	28
Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget .....	29
All Trust and Agency Funds - Combining Balance Sheet .....	30
All Agency Funds - Combining Statement of Changes in Assets and Liabilities .....	31

## INDEPENDENT AUDITORS' REPORT

Honorable Supervisor and Township Board  
Township of Norway  
Vulcan, Michigan

We have audited the accompanying general purpose financial statements of the **TOWNSHIP OF NORWAY** as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the **TOWNSHIP OF NORWAY'S** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the **TOWNSHIP OF NORWAY** as of March 31, 2004 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements for the year ended March 31, 2004, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the **TOWNSHIP OF NORWAY**. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements for the year ended March 31, 2004 and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Fleury Singler & Company, P.C.*  
Certified Public Accountants

May 20, 2004

**TOWNSHIP OF NORWAY**

**COMBINED BALANCE SHEET -**

**ALL FUND TYPES AND ACCOUNT GROUP**

**March 31, 2004**

<u>ASSETS</u>	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
Cash	\$ 176,851	\$ 32,475
Investments - certificates of deposit	100,000	1,240
Due from other funds	3,979	46
Delinquent taxes receivable	3,588	5,358
Assessments receivable	-	-
Land and improvements	-	-
Buildings	-	-
Equipment	-	-
Vehicles	-	-
Furniture and fixtures	-	-
	<hr/>	<hr/>
	<b>\$ 284,418</b>	<b>\$ 39,119</b>
	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 1,907	\$ 182
Wages payable	671	-
Payroll taxes withheld	1,546	1,070
Due to Norway Utilities Authority	-	-
Due to other funds	51	73
Due to other municipalities	-	-
	<hr/>	<hr/>
	<b>\$ 4,175</b>	<b>\$ 1,325</b>
	<hr/>	<hr/>
<u>FUND BALANCE</u>		
Investment in general fixed assets	\$ -	\$ -
Fund balance:		
Unreserved-undesignated	280,243	36,554
Reserved for maintenance	-	1,240
Reserved for perpetual care	-	-
	<hr/>	<hr/>
	<b>\$ 284,418</b>	<b>\$ 39,119</b>
	<hr/>	<hr/>

See notes to financial statements.

<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Total (Memorandum Only)</u>
<u>Trust and Agency</u>	<u>General Fixed Assets</u>	
\$ 14,686	\$ -	\$ 224,012
507,588	-	608,828
124	-	4,149
-	-	8,946
74	-	74
-	213,913	213,913
-	200,683	200,683
-	86,578	86,578
-	37,854	37,854
-	13,514	13,514
<u>\$ 522,472</u>	<u>\$ 552,542</u>	<u>\$ 1,398,551</u>
\$ -	\$ -	\$ 2,089
-	-	671
-	-	2,616
172,226	-	172,226
4,025	-	4,149
<u>1,673</u>	<u>-</u>	<u>1,673</u>
\$ 177,924	\$ -	\$ 183,424
\$ -	\$ 552,542	\$ 552,542
-	-	316,797
-	-	1,240
<u>344,548</u>	<u>-</u>	<u>344,548</u>
<u>\$ 522,472</u>	<u>\$ 552,542</u>	<u>\$ 1,398,551</u>

# TOWNSHIP OF NORWAY

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

### ALL GOVERNMENTAL FUND TYPES

Year ended March 31, 2004

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<u>REVENUES</u>			
Taxes	\$ 47,144	\$ 69,355	\$ 116,499
State - shared revenues	144,705	1,733	146,438
Interest	-	1,035	1,035
Charges for services	-	50,925	50,925
Other revenues	<u>21,478</u>	<u>591</u>	<u>22,069</u>
<b>TOTAL REVENUES</b>	<b>\$ 213,327</b>	<b>\$ 123,639</b>	<b>\$ 336,966</b>
<u>EXPENDITURES</u>			
General government	\$ 134,317	\$ -	\$ 134,317
Sanitation	518	-	518
Street lighting	15,303	-	15,303
Recreation	9,437	-	9,437
Public transportation	-	25,259	25,259
Public safety	1,000	49,877	50,877
Cemetery	-	69,532	69,532
Capital outlay	<u>7,757</u>	<u>6,770</u>	<u>14,527</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 168,332</b>	<b>\$ 151,438</b>	<b>\$ 319,770</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 44,995</b>	<b>\$ ( 27,799)</b>	<b>\$ 17,196</b>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	-	10,200	10,200
Operating transfers out	<u>( 10,200)</u>	<u>-</u>	<u>( 10,200)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ 34,795</b>	<b>\$ ( 17,599)</b>	<b>\$ 17,196</b>
Fund balance April 1, 2003	<u>245,448</u>	<u>55,393</u>	<u>300,841</u>
<b>FUND BALANCE MARCH 31, 2004</b>	<b>\$ 280,243</b>	<b>\$ 37,794</b>	<b>\$ 318,037</b>

See notes to financial statements.

# TOWNSHIP OF NORWAY

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

### ACTUAL AND BUDGET - GENERAL AND SPECIAL REVENUE FUND TYPES

Year ended March 31, 2004

	<u>General Fund</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Taxes	\$ 47,144	\$ 38,200	\$ 8,944
State - shared revenues	144,705	149,500	( 4,795)
Interest	-	-	-
Charges for services	-	-	-
Other revenues	<u>21,478</u>	<u>10,700</u>	<u>10,778</u>
TOTAL REVENUES	\$ 213,327	\$ 198,400	\$ 14,927
<b><u>EXPENDITURES</u></b>			
General government	\$ 134,317	\$ 151,449	\$ 17,132
Sanitation	518	1,200	682
Street lighting	15,303	18,000	2,697
Recreation	9,437	8,500	( 937)
Public transportation	-	-	-
Public safety	1,000	1,000	-
Cemetery	-	-	-
Capital outlay	<u>7,757</u>	<u>69,700</u>	<u>61,943</u>
TOTAL EXPENDITURES	\$ <u>168,332</u>	\$ <u>249,849</u>	\$ <u>81,517</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 44,995	\$( 51,449)	\$ 96,444
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Operating transfers in	-	-	-
Operating transfers out	<u>( 10,200)</u>	<u>( 71,973)</u>	<u>61,773</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 34,795	\$( 123,422)	\$ 158,217
Fund balance April 1, 2003	<u>245,448</u>	<u>245,448</u>	<u>-</u>
FUND BALANCE MARCH 31, 2004	<u>\$ 280,243</u>	<u>\$ 122,026</u>	<u>\$ 158,217</u>

See notes to financial statements.



<u>Special Revenue Funds</u>		
<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 69,355	\$ 58,700	\$ 10,655
1,733	2,000	( 267)
1,035	900	135
50,925	36,000	14,925
<u>591</u>	<u>-</u>	<u>591</u>
 \$ 123,639	 \$ 97,600	 \$ 26,039
 \$ -	 \$ -	 \$ -
-	-	-
-	-	-
-	-	-
25,259	50,000	24,741
49,877	59,863	9,986
69,532	74,710	5,178
<u>6,770</u>	<u>10,000</u>	<u>3,230</u>
 \$ 151,438	 \$ 194,573	 \$ 43,135
 \$( 27,799)	 \$( 96,973)	 \$ 69,174
10,200	71,973	( 61,773)
<u>( - )</u>	<u>( - )</u>	<u>-</u>
 \$( 17,599)	 \$( 25,000)	 \$ 7,401
<u>55,393</u>	<u>55,393</u>	<u>-</u>
 \$ 37,794	 \$ 30,393	 \$ 7,401

**TOWNSHIP OF NORWAY**

**CEMETERY PERPETUAL CARE TRUST FUND  
(NON-EXPENDABLE TRUST FUND)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**Year ended March 31, 2004**

**REVENUES**

Perpetual care	\$ 7,200
Interest income	<u>6,457</u>

TOTAL REVENUES	\$ 13,657
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<b><u>EXPENDITURES</u> - charges for services</b>	<u>6,457</u>
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EXCESS OF REVENUES OVER EXPENDITURES	\$ 7,200
Fund balance April 1, 2003	<u>337,348</u>

FUND BALANCE MARCH 31, 2004	<u><u>\$ 344,548</u></u>
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See notes to financial statements.

## TOWNSHIP OF NORWAY

### NOTES TO FINANCIAL STATEMENTS

#### NOTE A - ACCOUNTING POLICIES

The accounting policies of the Township of Norway are primarily established on the modified accrual basis of accounting. The following is a summary of the more significant policies:

##### REPORTING ENTITY

The Township of Norway's Board is the basic level of government which has financial accountability and control over all activities related to the Township of Norway. The Township is not included in any other governmental "reporting entity" as defined by the applicable GASB pronouncement. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14 which are included in the Township's reporting entity.

##### FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in the report, into certain generic fund types and broad fund categories as follows:

##### Governmental Funds

**General Fund** - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

##### Fiduciary Funds

**Trust Fund** - The Cemetery Perpetual Care Trust Fund is used to account for perpetual care revenues collected by the Cemetery Fund. Earnings from investments are used for cemetery maintenance.

**Agency Funds** - Agency Funds (Current Tax Collection Fund and Trust and Agency Fund) are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Special Assessment Fund is used to account for the financing of public improvements to benefit the properties against which assessments are levied. This fund is used to collect receipts and transfer funds to the Norway Utilities Authority.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE A - ACCOUNTING POLICIES (CONTINUED)

#### BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liabilities are incurred.

Those revenues susceptible to accrual are property taxes, licenses, interest revenue and charges for services.

#### OTHER SIGNIFICANT ACCOUNTING POLICIES

##### CASH

The Township's cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired.

##### INVESTMENTS

The Township's investments include certificates of deposit with maturity dates greater than three months. State statutes limit the types of investments allowed. The Township is in compliance with these requirements.

##### FIXED ASSETS

Fixed assets used in governmental fund type operations (general fixed assets) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE A - ACCOUNTING POLICIES (CONTINUED)

#### OTHER SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### RESERVED FUND BALANCE

Reservations of equity classify amounts that are legally restricted for specific uses. The purpose of each is indicated by the account title on the face of the balance sheet.

##### MEMORANDUM ONLY - TOTAL COLUMNS

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in fund balance in conformity with accounting principles generally accepted in the United States of America. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

##### RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township.

##### BUDGETS

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to April 1, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held at an announced special Board meeting to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted by Township Board approval.
4. Any revisions to the budgeted amounts must be approved by the Township Board.
5. Budgets are adopted on a modified accrual basis for governmental funds. Expenditures may not legally exceed budgeted appropriations at the activity level.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE A - ACCOUNTING POLICIES (CONTINUED)

#### OTHER SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### BUDGETS (CONTINUED)

6. Budgeted amounts presented in the financial statements are as originally adopted, or as amended, by the Township Board on March 29, 2004.

7. The budget lapses at year end.

Budgeted amounts are as originally adopted, or as amended by the Township Board on March 29, 2004 as follows:

<u>Fund</u>	<u>Original Amount</u>	<u>Approved Changes</u>	<u>Amended Amount</u>
General	\$ 321,822	\$ -	\$ 321,822
Fire and roads	106,500	-	106,500
Cemetery	84,710	-	84,710
Liquor law	3,363	-	3,363

The Township had no amendments from the original adopted budget; however, there were transfers between activities within each fund.

### NOTE B - SPECIAL ASSESSMENT AGENCY FUND

The Township has assessed certain property owners benefited by the installation of new sewer lines. The remaining assessment of \$131,240 is payable in 14 annual installments with interest at the rate of 5% on the unpaid balance. Determination of the special assessment was based on the cost per foot of the project. Monies collected are remitted to the Norway Utilities Authority as part payment for bond principal and interest payments issued by the Authority. A schedule of bond principal payments is presented as a part of this note. The Township acts as an agent for collection on payment of these amounts and is not obligated in any manner for this debt.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE B - SPECIAL ASSESSMENT AGENCY FUND (CONTINUED)

#### AMOUNTS TO BE REMITTED TO THE NORWAY UTILITIES AUTHORITY

<u>Year Payable</u>	<u>City of Norway</u>	<u>Township of Norway</u>	<u>Total</u>
2005	\$ 9,210	\$ 5,790	\$ 15,000
2006	12,280	7,720	20,000
2007	12,280	7,720	20,000
2008	12,280	7,720	20,000
2009	12,280	7,720	20,000
2010	12,280	7,720	20,000
2011	15,350	9,650	25,000
2012	15,350	9,650	25,000
2013	15,350	9,650	25,000
2014	15,350	9,650	25,000
2015	18,420	11,580	30,000
2016	18,420	11,580	30,000
2017	18,420	11,580	30,000
2018	<u>21,490</u>	<u>13,510</u>	<u>35,000</u>
TOTALS	<u>\$ 208,760</u>	<u>\$ 131,240</u>	<u>\$ 340,000</u>

### NOTE C - PROPERTY TAXES

The Township levies its real property taxes on December 1 as established based upon the assessed valuation of the preceding December 31. Property taxes become a lien on the property at December 1 and are considered due and payable the following February 28. Taxes become delinquent on March 1.

The 2003 state equalized valuation of the Township totaled \$44,468,800 (taxable value \$35,993,465), on which taxes levied consisted of 1.3262 Mills for operating purposes and 1.9798 Mills for fire protection and roads, and .5 Mill for ambulance services.

The entire property tax administration fee is paid for expenses related to the collection of property taxes. There is, therefore, no reserved fund balance for excess revenues or excess expenditures associated with the property tax administration fee.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE D - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

<u>ASSETS</u>	<u>Balance April 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2004</u>
Land and improvements	\$ 210,596	\$ 3,317	\$ -	\$ 213,913
Buildings	200,683	-	-	200,683
Equipment	78,388	8,190	-	86,578
Vehicles	37,854	-	-	37,854
Furniture and fixtures	<u>10,494</u>	<u>3,020</u>	<u>-</u>	<u>13,514</u>
INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 538,015</u>	<u>\$ 14,527</u>	<u>\$ -</u>	<u>\$ 552,542</u>

### NOTE E - DEPOSIT AND INVESTMENT ACCOUNTS

At March 31, 2004, the book value of the Township's deposit and investment accounts consisted primarily of certificates of deposits, demand deposit accounts and other cash equivalents. The balances at year-end are as follows:

<u>Deposits</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Governmental	\$ 210,326	\$ 209,326
Fiduciary	<u>14,686</u>	<u>14,686</u>
TOTAL DEPOSITS	<u>\$ 225,012</u>	<u>\$ 224,012</u>
<u>Investments</u>		
Governmental	\$ 101,240	\$ 101,240
Fiduciary	<u>507,588</u>	<u>507,588</u>
TOTAL INVESTMENTS	<u>\$ 608,828</u>	<u>\$ 608,828</u>

Of the Township's bank's balance, approximately \$589,027 is insured (credit risk category #1) and the remaining \$244,813 is uninsured and uncollateralized.

Investments are classified as to credit risk by the following three categories:

Category 1 - Insured or registered, with securities held by the Authority or its agent in the Authority's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department.

Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Authority's name.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE F - INTERFUND OPERATING TRANSFERS

Individual fund operating transfers for fiscal year 2003 were as follows:

	<u>Governmental</u>	
	<u>Transfer In</u>	<u>Transfer Out</u>
Fund type:		
General Fund	\$ -	\$ 10,200
Cemetery	<u>10,200</u>	<u>-</u>
TOTALS	<u>\$ 10,200</u>	<u>\$ 10,200</u>

### NOTE G - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables are classified as due to/from other funds on the combined balance sheet and are composed of the following:

	<u>Governmental</u>		<u>Fiduciary</u>	
	<u>Due From Other Fund</u>	<u>Due To Other Fund</u>	<u>Due To Governmental</u>	<u>Due From Governmental</u>
Governmental:				
General	\$ 3,979	\$ 51	\$ -	\$ -
Special Revenue - Cemetery	46	-	-	-
Special Revenue - Fire and Roads	-	73	-	-
Fiduciary:				
Cemetery Perpetual Care Trust	-	-	46	-
Current Tax Collection	<u>-</u>	<u>-</u>	<u>3,979</u>	<u>124</u>
TOTALS	<u>\$ 4,025</u>	<u>\$ 124</u>	<u>\$ 4,025</u>	<u>\$ 124</u>

### NOTE H - COMMITMENT

The Township Board has entered into an Inter-Governmental Fire Protection Agreement with the City of Norway. The City agrees to furnish fire department service protection of buildings within the Township. Fire protection expense under this agreement for fiscal year 2004 was \$38,850.

This agreement renews annually and can be terminated by either party. The Township's contribution amount is recomputed annually based upon an agreed-upon formula.

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE I - GASB NO. 34**

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (Statement). Certain of the significant changes in the Statement include the following:

For the first time the financial statements will include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Township's activities, including reporting infrastructure assets (roads, bridges, etc.).

A change in the fund financial statements to focus on the major funds.

The general provisions of GASB No. 34 must be implemented by the Township no later than the fiscal year ending March 31, 2006. The Township plans to implement the general provisions of the Statement in the year ending March 31, 2006.

The Township has not yet determined the full impact that adoption of GASB Statement No. 34 will have on its financial statements.

**TOWNSHIP OF NORWAY**

**GENERAL FUND**

**BALANCE SHEET**

**March 31, 2004**

**ASSETS**

**Cash:**

Demand deposits	\$ 101,884
Money market account	74,967
Investment - certificate of deposit	100,000
Due from other funds	3,979
Delinquent taxes receivable	<u>3,588</u>

**TOTAL ASSETS      \$ 284,418**

**LIABILITIES AND FUND BALANCE**

Accounts payable	\$ 1,907
Accrued wages	671
Payroll taxes withheld	1,546
Due to other funds	51
Fund balance - unreserved	<u>280,243</u>

**TOTAL LIABILITIES AND FUND BALANCE      \$ 284,418**

See notes to financial statements.

**TOWNSHIP OF NORWAY****GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****ACTUAL AND BUDGET****Year ended March 31, 2004**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Taxes	\$ 47,144	\$ 38,200	\$ 8,944
State - shared revenues	144,705	149,500	( 4,795)
Other revenues	<u>21,478</u>	<u>10,700</u>	<u>10,778</u>
<b>TOTAL REVENUES</b>	<b>\$ 213,327</b>	<b>\$ 198,400</b>	<b>\$ 14,927</b>
<b><u>EXPENDITURES</u></b>			
General government:			
Township Board	\$ 14,600	\$ 14,880	\$ 280
Supervisor	9,350	9,630	280
Elections	1,319	1,750	431
Assessor	14,831	15,256	425
Clerk	13,609	13,940	331
Board of Review	1,988	2,025	37
Treasurer	18,436	18,440	4
Township hall	13,318	15,580	2,262
Zoning	8,088	10,410	2,322
Public works	7	150	143
Other expense	<u>38,771</u>	<u>49,388</u>	<u>10,617</u>
<b>Total General government</b>	<b>\$ 134,317</b>	<b>\$ 151,449</b>	<b>\$ 17,132</b>
Sanitation	518	1,200	682
Street lighting	15,303	18,000	2,697
Recreation	9,437	8,500	( 937)
Public safety	1,000	1,000	-
Capital outlay	<u>7,757</u>	<u>69,700</u>	<u>61,943</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 168,332</b>	<b>\$ 249,849</b>	<b>\$ 81,517</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 44,995</b>	<b>\$ ( 51,449)</b>	<b>\$ 96,444</b>
<b><u>OTHER FINANCING (USES)</u></b>			
Operating transfers out	( 10,200)	( 71,973)	61,773
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ 34,795</b>	<b>\$ ( 123,422)</b>	<b>\$ 158,217</b>
Fund balance April 1, 2003	<u>245,448</u>	<u>245,448</u>	<u>-</u>
<b>FUND BALANCE MARCH 31, 2004</b>	<b>\$ <u>280,243</u></b>	<b>\$ <u>122,026</u></b>	<b>\$ <u>158,217</u></b>

See notes to financial statements.

**TOWNSHIP OF NORWAY**

**GENERAL FUND**

**STATEMENT OF REVENUES -**

**ACTUAL AND BUDGET**

**Year ended March 31, 2004**

	<u>Actual</u>	<u>Budget</u>
<b><u>TAXES</u></b>		
Current levy	\$ 42,748	\$ 35,000
Delinquent taxes	3,603	3,000
Commercial forest	114	200
Payment in lieu of taxes	<u>679</u>	<u>-</u>
TOTAL TAXES	<u>\$ 47,144</u>	<u>\$ 38,200</u>
<b><u>STATE-SHARED REVENUES</u></b>		
Sales, income and single business taxes	\$ 120,351	\$ 125,000
Swamp lands	<u>24,354</u>	<u>24,500</u>
TOTAL STATE-SHARED REVENUES	<u>\$ 144,705</u>	<u>\$ 149,500</u>
<b><u>OTHER REVENUES</u></b>		
Tax collection fees	\$ 7,554	\$ 3,000
Hall rental	2,905	2,700
Reimbursements and refunds	291	-
Interest	2,507	5,000
Contributions	7,500	-
Miscellaneous	<u>721</u>	<u>-</u>
TOTAL OTHER REVENUES	<u>\$ 21,478</u>	<u>\$ 10,700</u>

See notes to financial statements.

**TOWNSHIP OF NORWAY**

**GENERAL FUND**

**STATEMENT OF EXPENDITURES -**

**ACTUAL AND BUDGET**

**Year ended March 31, 2004**

	<u>Actual</u>	<u>Budget</u>
<b><u>GENERAL GOVERNMENT</u></b>		
Township Board:		
Salaries	\$ 13,200	\$ 13,180
Travel	1,400	1,400
Education	-	300
Total Township Board	\$ 14,600	\$ 14,880
Supervisor:		
Salary	\$ 8,580	\$ 8,580
Operating supplies	-	150
Travel	700	700
Education	70	200
Total Supervisor	\$ 9,350	\$ 9,630
Elections:		
Salaries and wages	\$ 442	\$ 1,500
Operating supplies	416	200
Travel	50	50
Printing and publishing	411	-
Total Elections	\$ 1,319	\$ 1,750
Assessor:		
Salaries and wages	\$ 13,800	\$ 13,806
Operating supplies	703	500
Travel	-	800
Memberships and dues	328	150
Total Assessor	\$ 14,831	\$ 15,256
Clerk:		
Salaries and wages	\$ 12,839	\$ 12,840
Travel	700	700
Education	70	200
Operating supplies	-	200
Total Clerk	\$ 13,609	\$ 13,940

**GENERAL FUND - STATEMENT OF EXPENDITURES -  
ACTUAL AND BUDGET (CONTINUED)**

	<u>Actual</u>	<u>Budget</u>
<b>GENERAL GOVERNMENT (CONTINUED)</b>		
Board of Review:		
Salaries and wages	\$ 1,675	\$ 1,350
Printing and publishing	253	400
Travel	-	75
Education	<u>60</u>	<u>200</u>
Total Board of Review	\$ 1,988	\$ 2,025
Treasurer:		
Salaries and wages	\$ 13,960	\$ 12,840
Operating supplies	3,776	4,700
Travel	700	700
Education	<u>-</u>	<u>200</u>
Total Treasurer	\$ 18,436	\$ 18,440
Township Hall:		
Salaries and wages	\$ 3,559	\$ 2,580
Operating supplies	3,241	5,000
Telephone	780	1,000
Utilities	4,923	5,000
Repair and maintenance	684	2,000
Printing and publishing	<u>131</u>	<u>-</u>
Total Township Hall	\$ 13,318	\$ 15,580
Zoning:		
Salaries and wages	\$ 7,124	\$ 7,660
Operating supplies	74	150
Travel	700	700
Printing and publishing	190	500
Education	-	300
Consulting - records updating	-	1,000
Memberships and dues	<u>-</u>	<u>100</u>
Total Zoning	\$ 8,088	\$ 10,410
Public Works - sewer assessment	\$ 7	\$ 150

**GENERAL FUND - STATEMENT OF EXPENDITURES -  
ACTUAL AND BUDGET (CONTINUED)**

	<u>Actual</u>	<u>Budget</u>
<b><u>GENERAL GOVERNMENT (CONTINUED)</u></b>		
Other Expense:		
Salaries and wages	\$ 7,090	\$ 12,000
Payroll taxes	6,391	6,788
Employee fringes	-	100
Professional services	16,003	19,500
Other contracted service	-	500
Insurance and bonds	5,850	8,000
Repairs and maintenance	33	500
Miscellaneous	536	1,000
Memberships and dues	1,279	-
Printing and publishing	<u>1,589</u>	<u>1,000</u>
Total Other Expense	<u>\$ 38,771</u>	<u>\$ 49,388</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 134,317</u>	<u>\$ 151,449</u>
<b><u>SANITATION - contractual services</u></b>	<u>\$ 518</u>	<u>\$ 1,200</u>
<b><u>STREET LIGHTING</u></b>	<u>\$ 15,303</u>	<u>\$ 18,000</u>
<b><u>RECREATION</u></b>		
Salaries and wages	\$ 1,704	\$ 2,500
Operating supplies	1,888	500
Utilities	185	500
Repairs and maintenance	<u>5,660</u>	<u>5,000</u>
TOTAL RECREATION	<u>\$ 9,437</u>	<u>\$ 8,500</u>
<b><u>PUBLIC SAFETY</u></b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
<b><u>CAPITAL OUTLAY</u></b>		
Township hall	\$ 300	\$ 2,000
Other	-	32,700
Recreation	<u>7,457</u>	<u>35,000</u>
TOTAL CAPITAL OUTLAY	<u>\$ 7,757</u>	<u>\$ 69,700</u>
<b><u>OTHER FINANCING USES</u></b>		
Operating transfers out:		
Liquor Law Enforcement Fund	\$ -	\$ 1,363
Cemetery Fund	10,200	33,310
Fire and Roads Fund	<u>-</u>	<u>37,300</u>
TOTAL OTHER FINANCING USES	<u>\$ 10,200</u>	<u>\$ 71,973</u>

See notes to financial statements.



**TOWNSHIP OF NORWAY**  
**ALL SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**

**March 31, 2004**

	<u>Liquor Law Enforcement</u>	<u>Fire and Roads</u>	<u>Cemetery</u>	<u>Total (Memorandum Only)</u>
<b><u>ASSETS</u></b>				
Cash:				
Demand deposits	\$ 700	\$( 94,675)	\$ 3,990	\$( 89,985)
Money market accounts	-	110,597	11,863	122,460
Investment - certificate of deposit	-	-	1,240	1,240
Due from other funds	-	-	46	46
Delinquent taxes receivable	-	5,358	-	5,358
<b>TOTAL ASSETS</b>	<b><u>\$ 700</u></b>	<b><u>\$ 21,280</u></b>	<b><u>\$ 17,139</u></b>	<b><u>\$ 39,119</u></b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Accounts payable	\$ -	\$ -	\$ 182	\$ 182
Payroll taxes withheld	16	-	1,054	1,070
Due to other funds	-	73	-	73
Fund balance:				
Unreserved	684	21,207	14,663	36,554
Reserved for maintenance	-	-	1,240	1,240
<b>TOTAL LIABILITIES AND     FUND BALANCE</b>	<b><u>\$ 700</u></b>	<b><u>\$ 21,280</u></b>	<b><u>\$ 17,139</u></b>	<b><u>\$ 39,119</u></b>

See notes to financial statements.

**TOWNSHIP OF NORWAY**

**ALL SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE**

**Year ended March 31, 2004**

	<u>Liquor Law Enforcement</u>	<u>Fire and Roads</u>	<u>Cemetery</u>	<u>Total (Memorandum Only)</u>
<b><u>REVENUES</u></b>				
Taxes	\$ -	\$ 69,355	\$ -	\$ 69,355
State - shared revenues	1,733	-	-	1,733
Interest	-	850	185	1,035
Charges for services	-	-	50,925	50,925
Other revenues	-	571	20	591
	<u>-</u>	<u>571</u>	<u>20</u>	<u>591</u>
TOTAL REVENUES	\$ 1,733	\$ 70,776	\$ 51,130	\$ 123,639
<b><u>EXPENDITURES</u></b>				
Public transportation	\$ -	\$ 25,259	\$ -	\$ 25,259
Public safety	2,713	47,164	-	49,877
Cemetery	-	-	69,532	69,532
Capital outlay	-	-	6,770	6,770
	<u>-</u>	<u>-</u>	<u>6,770</u>	<u>6,770</u>
TOTAL EXPENDITURES	\$ 2,713	\$ 72,423	\$ 76,302	\$ 151,438
EXCESS OF (EXPENDITURES) OVER REVENUES	\$ ( 980)	\$ ( 1,647)	\$ ( 25,172)	\$ ( 27,799)
<b><u>OTHER FINANCING SOURCES</u></b>				
Operating transfers in	-	-	10,200	10,200
EXCESS OF (EXPENDITURES) OVER REVENUES AND OTHER SOURCES	\$ ( 980)	\$ ( 1,647)	\$ ( 14,972)	\$ ( 17,599)
Fund balance April 1, 2003	1,664	22,854	30,875	55,393
	<u>1,664</u>	<u>22,854</u>	<u>30,875</u>	<u>55,393</u>
FUND BALANCE MARCH 31, 2004	\$ 684	\$ 21,207	\$ 15,903	\$ 37,794

See notes to financial statements.

**TOWNSHIP OF NORWAY**  
**LIQUOR LAW ENFORCEMENT FUND**

**BALANCE SHEET**

**March 31, 2004**

**ASSETS**

Cash:

    Demand deposits

**\$ 700**

**LIABILITIES AND FUND BALANCE**

Payroll taxes withheld

**\$ 16**

Fund balance - unreserved

**684**

**\$ 700**

See notes to financial statements.

**TOWNSHIP OF NORWAY**

**LIQUOR LAW ENFORCEMENT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**

**ACTUAL AND BUDGET**

**Year ended March 31, 2004**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b> - liquor license	\$ 1,733	\$ 2,000	\$ ( 267)
<b><u>EXPENDITURES</u></b>			
Public safety:			
Salaries and wages	\$ 2,520	\$ 2,520	\$ -
Payroll taxes	193	193	-
Operating supplies	-	150	150
Travel	-	500	500
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,713</b>	<b>\$ 3,363</b>	<b>\$ 650</b>
<b>EXCESS OF (EXPENDITURES) OVER REVENUES</b>	<b>\$ ( 980)</b>	<b>\$ ( 1,363)</b>	<b>\$ 383</b>
<b><u>OTHER FINANCING SOURCES</u></b>			
Operating transfer in: General Fund	-	1,363	( 1,363)
<b>EXCESS OF (EXPENDITURES) OVER REVENUES AND OTHER SOURCES</b>	<b>\$ ( 980)</b>	<b>\$ -</b>	<b>\$ ( 980)</b>
Fund balance April 1, 2003	<u>1,664</u>	<u>1,664</u>	<u>-</u>
<b>FUND BALANCE MARCH 31, 2004</b>	<b>\$ <u>684</u></b>	<b>\$ <u>1,664</u></b>	<b>\$ ( <u>980</u>)</b>

See notes to financial statements.

**TOWNSHIP OF NORWAY**

**FIRE AND ROADS FUND**

**BALANCE SHEET**

**March 31, 2004**

**ASSETS**

**Cash:**

Demand deposits	\$ ( 94,675)
Money market accounts	110,597
Delinquent taxes receivable	<u>5,358</u>
	<u>\$ 21,280</u>

**LIABILITIES AND FUND BALANCE**

Due to other funds	\$ 73
Fund balance - unreserved	<u>21,207</u>
	<u>\$ 21,280</u>

See notes to financial statements.

**TOWNSHIP OF NORWAY**

**FIRE AND ROADS FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**

**ACTUAL AND BUDGET**

**Year ended March 31, 2004**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Taxes:			
Current taxes	\$ 63,819	\$ 55,000	\$ 8,819
Delinquent taxes	5,378	3,500	1,878
Commercial forest	158	200	( 42)
Interest	850	500	350
Other revenues	<u>571</u>	<u>-</u>	<u>571</u>
TOTAL REVENUES	\$ 70,776	\$ 59,200	\$ 11,576
<b><u>EXPENDITURES</u></b>			
Public transportation:			
Contractual services	\$ 25,259	\$ 50,000	\$ 24,741
Public safety:			
Contractual services - fire	38,850	48,000	9,150
Hydrant rent	8,000	8,000	-
Miscellaneous	<u>314</u>	<u>500</u>	<u>186</u>
TOTAL EXPENDITURES	\$ <u>72,423</u>	\$ <u>106,500</u>	\$ <u>34,077</u>
EXCESS OF (EXPENDITURES) OVER REVENUES	\$( 1,647)	\$( 47,300)	\$ 45,653
<b><u>OTHER FINANCING SOURCES</u></b>			
Operating transfer in:			
General Fund	<u>-</u>	<u>37,300</u>	<u>( 37,300)</u>
EXCESS OF (EXPENDITURES) OVER REVENUES AND OTHER SOURCES	\$( 1,647)	\$( 10,000)	\$ 8,353
Fund balance April 1, 2003	<u>22,854</u>	<u>22,854</u>	<u>-</u>
FUND BALANCE MARCH 31, 2004	<u>\$ 21,207</u>	<u>\$ 12,854</u>	<u>\$ 8,353</u>

See notes to financial statements.

**TOWNSHIP OF NORWAY**

**CEMETERY FUND**

**BALANCE SHEET**

**March 31, 2004**

**ASSETS**

**Cash:**

Demand deposits	\$ 3,990
Money market accounts	11,863
Investments - certificate of deposit	1,240
Due from other funds	<u>46</u>
	<u>\$ 17,139</u>

**LIABILITIES AND FUND BALANCE**

Accounts payable	\$ 182
Payroll taxes withheld	1,054
Fund balance:	
Unreserved	14,663
Reserved for maintenance	<u>1,240</u>
	<u>\$ 17,139</u>

See notes to financial statements.

**TOWNSHIP OF NORWAY**

**CEMETERY FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**

**ACTUAL AND BUDGET**

**Year ended March 31, 2004**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Charges for services:			
Grave openings	\$ 30,268	\$ 20,000	\$ 10,268
Annual care	6,497	10,000	( 3,503)
Sale of lots	14,160	6,000	8,160
Interest income	185	400	( 215)
Other revenues	<u>20</u>	<u>-</u>	<u>20</u>
<b>TOTAL REVENUES</b>	<b>\$ 51,130</b>	<b>\$ 36,400</b>	<b>\$ 14,730</b>
<b><u>EXPENDITURES</u></b>			
Salaries and wages	\$ 51,952	\$ 50,800	\$( 1,152)
Payroll taxes	4,083	3,886	( 197)
Employee benefits	1,624	1,624	-
Unemployment	-	1,000	1,000
Gas and oil	1,440	2,000	560
Operating supplies	3,164	3,000	( 164)
Insurance and bonds	3,261	4,000	739
Utilities and telephone	1,742	2,700	958
Repair and maintenance	1,496	5,000	3,504
Printing and publishing	18	100	82
Travel	601	600	( 1)
Miscellaneous	151	-	( 151)
Capital outlay	<u>6,770</u>	<u>10,000</u>	<u>3,230</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 76,302</b>	<b>\$ 84,710</b>	<b>\$ 8,408</b>
<b>EXCESS OF (EXPENDITURES) OVER REVENUES</b>	<b>\$( 25,172)</b>	<b>\$( 48,310)</b>	<b>\$ 23,138</b>
<b><u>OTHER FINANCING SOURCES</u></b>			
Operating transfers in:			
General Fund	<u>10,200</u>	<u>33,310</u>	<u>( 23,110)</u>
<b>EXCESS OF (EXPENDITURES) OVER REVENUES AND OTHER SOURCES</b>	<b>\$( 14,972)</b>	<b>\$( 15,000)</b>	<b>\$ 28</b>
Fund balance April 1, 2003	<u>30,875</u>	<u>30,875</u>	<u>-</u>
<b>FUND BALANCE MARCH 31, 2004</b>	<b><u>\$ 15,903</u></b>	<b><u>\$ 15,875</u></b>	<b><u>\$ 28</u></b>

See notes to financial statements.



**TOWNSHIP OF NORWAY**

**ALL TRUST AND AGENCY FUNDS**

**COMBINING BALANCE SHEET**

**March 31, 2004**

	<u>Cemetery Perpetual Care Trust Fund</u>	<u>Current Tax Collection Fund</u>	<u>Trust and Agency Fund</u>	<u>Special Assessment Agency Fund</u>
<b><u>ASSETS</u></b>				
Cash	\$ 9,095	\$ 5,528	\$ -	\$ 63
Investments - certificates of deposit	335,499	-	-	172,089
Due from other funds	-	124	-	-
Assessment receivable	-	-	-	74
	<u>-</u>	<u>-</u>	<u>-</u>	<u>74</u>
TOTAL ASSETS	<u>\$ 344,594</u>	<u>\$ 5,652</u>	<u>\$ -</u>	<u>\$ 172,226</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Due to Norway Utilities Authority	\$ -	\$ -	\$ -	\$ 172,226
Due to other funds	46	3,979	-	-
Due to other municipalities	-	1,673	-	-
	<u>-</u>	<u>1,673</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	\$ 46	\$ 5,652	\$ -	\$ 172,226
Fund balance - reserved	<u>344,548</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 344,594</u>	<u>\$ 5,652</u>	<u>\$ -</u>	<u>\$ 172,226</u>

See notes to financial statements.

Total  
(Memorandum  
Only)  

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\$ 14,686

507,588

124

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74

\$ 522,472

\$ 172,226

4,025

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1,673

\$ 177,924

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344,548

\$ 522,472

**TOWNSHIP OF NORWAY**

**ALL AGENCY FUNDS**

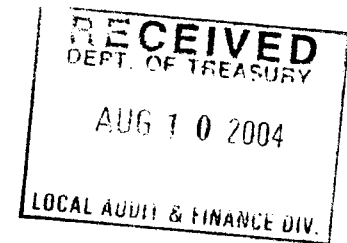
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**Year ended March 31, 2004**

	<u>Balance April 1, 2003</u>	<u>Additions</u>
<b><u>ASSETS</u></b>		
Current Tax Collection Fund	\$ 3,331	\$ 365,741
Trust and Agency Fund	-	8,519
Special Assessment Agency Fund	<u>182,300</u>	<u>2,632</u>
<b>TOTALS</b>	<b><u>\$ 185,631</u></b>	<b><u>\$ 376,892</u></b>
<b><u>LIABILITIES</u></b>		
Amounts due to:		
Township of Norway	\$ 3,331	\$ 127,162
Dickinson County	-	236,906
Norway Utilities Authority	182,300	2,632
Other municipalities	<u>-</u>	<u>1,673</u>
<b>TOTALS</b>	<b><u>\$ 185,631</u></b>	<b><u>\$ 368,373</u></b>

See notes to financial statements.

<u>Deductions</u>	<u>Balance March 31, 2004</u>
\$ 363,420	\$ 5,652
8,519	-
<u>12,706</u>	<u>172,226</u>
<u>\$ 384,645</u>	<u>\$ 177,878</u>
\$ 126,514	\$ 3,979
236,906	-
12,706	172,226
<u>-</u>	<u>1,673</u>
<u>\$ 376,126</u>	<u>\$ 177,878</u>



To the Board for Directors and Management  
of the Township of Norway

In planning and performing our audit of the financial statements of the Township of Norway for the year ended March 31, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the Township of Norway's ability to initiate, record, process, and report financial data consistent with the assertions of the management in the financial statements.

#### DEPOSITS AND INVESTMENTS

The Township's deposits and investments consist of checking and savings accounts and certificates of deposit. We noted the accounts at two banks exceeded the FDIC coverage limitation of \$100,000. We discussed this with management and they are working to resolve the situation.

#### EXPENDITURES

We noted multiple checks did not have invoices or other supporting documentation. We discussed each of the items with management and all invoices or other support were located or received.

We also noted several utility bills were posted to incorrect general ledger accounts. We discussed this with management and the mispostings were corrected.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in our audit of the March 31, 2004 financial statements, and this report does not affect our report on those financial statements dated May 20, 2004. We have not considered the internal control since the date of our report.

This report is intended solely for the information and use of the Board of Directors, management, and others within the administration and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Elenny Singh & Company, P.C.".

Certified Public Accountants

May 20, 2004